

Dustin Stewart

From: Kathleen O'Neal [director@billingsshabitat.org]
Sent: Tuesday, January 25, 2011 10:49 AM
To: dstewart@montana.com
Subject: FW: URGENT: Fire Sprinkler Hearing

While it is impossible for me to attend a hearing, as our office is in Billings, let me speak on behalf of Habitat for Humanity. I believe I also speak for others building specifically for the low-income housing market.

If this requirement were to pass, it would add a tremendous amount to the cost of construction and very possibly eliminate many of the families we are able to help through the Habitat for Humanity program in the state of Montana.

There are Habitat for Humanity 13 affiliates, building throughout the state and while, perhaps, we don't build huge numbers of homes, our impact is significant to a market that has no other avenue to homeownership.

I strongly urge the legislature to "prohibit fire sprinklers from being mandatory in new home construction."

If the legislature - or any other government authority - really cares about low income people living in "slum" substandard housing (usually rentals) then perhaps the government would consider making an inspection mandatory for every rental dwelling before it can be rented to a tenant. While fire is devastating, wiring and other substandard issues cause far more health and humanity issues.

Thanks for all you do.

Kathleen O'Neal
Executive Director
Habitat for Humanity
Mid-Yellowstone Valley
406-652-0960

From: Montana Building Industry Association [mailto:dstewart@montana.com]
Sent: Tuesday, January 25, 2011 9:36 AM
To: director@billingsshabitat.org
Subject: URGENT: Fire Sprinkler Hearing



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November 17, 2009

Montana Building Industry
1717 11th Avenue
Helena, Montana 59601

To Whom It May Concern:

The Housing Industry has been battling the issue of affordability for the past decade. In today's economic climate, the industry has been further challenged with radical changes in the availability of home financing.

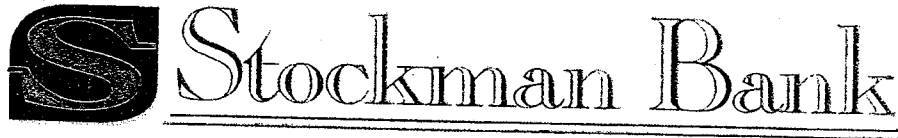
What we do not need at this point in the economic cycle are additional regulatory requirements that increase the cost of new homes. The home building industry is a huge employer of people in Montana and the slow down in new homes sales has certainly impacted employment in our communities.

The additional requirement of residential fire suppression sprinklers seems excessive at a time when the industry is reeling from its current economic challenges. We would not be supportive of this requirement on new housing construction.

Yours truly,

A handwritten signature in dark ink, appearing to read 'Scott W. Sanders', written over a horizontal line.

Scott W. Sanders
Vice President - Commercial Real Estate



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November 16, 2009

Montana Building Association
1717 11th Avenue
Helena, MT 59601

To Whom It May Concern:

I am writing this letter to inform you of concerns we have in the Billings area and throughout the state of Montana regarding the potential mandating of fire sprinklers in residential homes.

A large percentage of our business is providing financing for buyers to purchase new homes throughout Montana.

Sprinkler costs vary depending on whether the house is on a public water line or a private well system and the layout and size of the home. A conservative cost of \$2.25 per square foot for the average 2,400 square foot house means that a residential fire sprinkler system would cost a minimum of \$5,400.00.

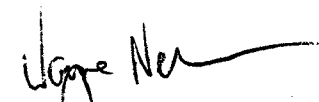
The additional costs to supply water to a home on a municipal system could add anywhere from \$5,000.00 to \$10,000.00 depending on how it is implemented, bringing the total costs to \$15,000.00 or more.

A home on a well could see additional costs of \$10,000.00 or more, again bringing the total costs to \$15,000.00 or more because of the need for additional components such as storage tanks and larger pumps.

Changes in the financial industry including new rules and regulations from FANNIE MAE, FREDDIE MAC, FHA & VA altering debt to income ratios, adding an additional \$10,000.00 to \$15,000.00 to the purchase price of a home would have a dramatic adverse impact on the average buyer's ability to qualify.

This mandate would have an unreasonable impact on housing affordability and would put many potential Montana homebuyers out of the buying market.

Sincerely,


Wayne Nelson
President - Stockman Bank Billings

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Montana Building Industry Association
Mr. Dustin Stewart, Executive Director
1717 Eleventh Avenue
Helena, Mt. 59601

Best Realty,
Inc.
GMAC
Real Estate

Dear Dustin,

I would like to comment on the proposed movement to require sprinkling for fire suppression in new homes throughout the State. I understand that this is a part of the International Residential Code, however, I do question the necessity of this major addition to the cost of new homes. I would respectfully ask that we not add to the reasons that the new home business has been drastically hurt by the market, the reluctance of Banks to loan on spec inventory, the tightening of the underwriting where minimum credit scores of 700 are a must. Let's be honest, we have fewer qualified buyers today than in the recent past.

The new home business in our State has been reduced to a level where many homebuilders and subcontractors have gone out of business. I would suggest that our worry should not be of the new home product where our Homebuilders are constructing homes better today than ever.


Each additional \$1,000 of cost computes to an extra \$5.21 per month for the homebuyer. An additional \$2,500 is \$13.04/month, \$5,000 is \$26.08/month, \$7,500 is \$39.12/month and \$10,000 is \$52.16/month. I have heard of actual cases in the Red Lodge area of systems being as much as \$15,000.

I would also like to remind us of the damage and cost to remedy mold problems caused by leaky in-house sprinkler systems and the horrendous damage to everything in its path when the system kicks on.

I would suggest that house fires are occurring in older properties and not in the newer better built homes that are being constructed today.

As a Realtor of 35 years specializing in new home subdivision design and marketing including single family homes, townhomes, & patio homes, I would like to echo once again the expense of installing these systems and the affect that it will have on the new home consumer.

Best Regard,


Myles M. Egan

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